AGRICULTURAL LAND PROTECTION MECHANISMS IN CANADA

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Agricultural Land Protection Mechanisms in Canada

March 1983

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Preface

The Environment Council of Alberta has been instructed by the Alberta Government to inquire into means for maintaining and expanding Alberta's agricultural land base, and also to identify means for maximizing agricultural production. A series of background reports integral to this investigation have been prepared. Public hearings throughout the province will provide an opportunity for urban and rural Albertans to contribute to the development of policy options for Alberta's agricultural land base.

This report, *Agricultural Land Protection Mechanisms in Canada*, has been prepared for the Environment Council by Dr. E.W. Manning of the Lands Directorate, Environment Canada. The report discusses the ways in which the federal government influences the use of agricultural land in Alberta, and provides an overview of some methods used in other provinces to protect agricultural land.

The Environment Council acknowledges the important contribution this report makes to our investigation; however, the views expressed in the report are those of the author. The Council does not accept responsibility for statements or opinions given herein, and does not guarantee the accuracy of statistics or quotations presented.

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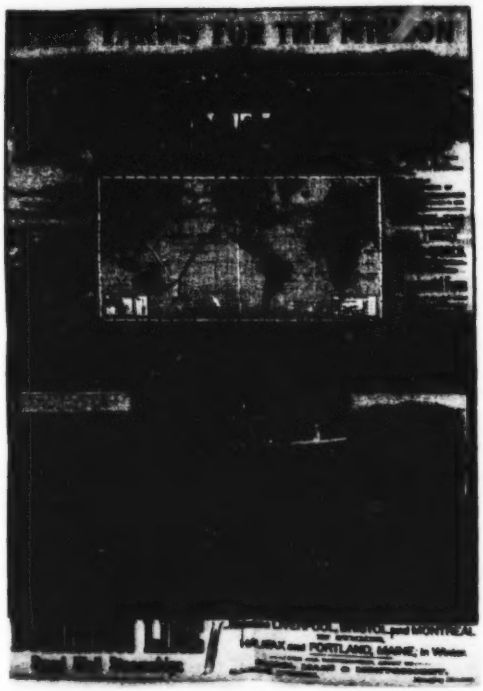
Planning to Protect Agricultural Land

Concern for the planning and management of land resources, in terms of their long-term sustained use, has resulted in action by many provinces and by the federal government. Those agencies have established a variety of means to influence land use and protect prime resource lands, particularly important agricultural lands. The purpose of this report is to review federal initiatives relating to land policy in Canada and selected provincial experiences with innovative planning tools. In particular, the report focuses on the results evident to date from these initiatives, and highlights the opportunities and limitations which have become evident during the implementation of each.

Under the Canadian Constitution, the power to plan the use of private and public lands within their boundaries rests with the provinces. Thus the provinces have become the principal managers of land and the bodies which undertake comprehensive land use planning (or establish the rules for undertaking such activities for municipalities and regions within their boundaries). The federal government, however, also influences the use of land throughout Canada. In the territories and on lands owned by the federal government, the federal government is the planning agency. In addition, many of the policies and programs of the federal government, which influence different economic or social sectors, have significant impact upon the way in which individuals use the land. The achievement of specified goals for land planning and land resource management, therefore, often involves all levels of government.



The once-common perception of Canada's limitless agricultural lands, as exemplified by this poster (circa 1890), is changing. Governments now recognize that agricultural land is a finite resource that must be protected if our present levels of productivity are to be maintained.

The Federal Role

The federal government's only authority to regulate the use of private land within provincial boundaries is related to height regulations under the *Aeronautics Act* for purposes relating to the operation and navigation of aircraft. But through financial vehicles and regulatory powers, and through investment activities, the federal government can and does have profound effects on the level of economic activity and how land is used in many localities. Following are some examples of the many programs and policies of the federal government having a bearing on land and its use:

Fiscal Policies—federal monetary, taxation, trade, and tariff policies influence the level of economic activity and its sectoral and regional distribution through the entire country.

Sectoral Support Programs—income support, credit, and assistance programs in various economic sectors (particularly in agriculture and industry) affect the economic climate for those sectors and thus the extent of their activity, their ability to compete with other sectors for land, and their means of management of land (for example, the *Agricultural and Rural Development Act* (ARDA), the *Farm Credit Act*, and the *Prairie Farm Rehabilitation Act* (PFRA)).

Regional Development Programs—the federal government directly affects land use in less developed regions of the country through development programs designed to stimulate economic growth. These programs have been carried out by the Department of Regional Economic Expansion (DREE).

Federal Lands and Their Management—public lands under the administration of the federal government include a variety of urban lands, airports, parks, military reserves, community pastures, and Indian lands. The use and management of these properties can influence adjacent lands as well as the economy of particular regions.

Public Works—the construction of major infrastructure and transport systems such as railroads, airports, and the Seaway, as well as the operation of these, can have major impacts upon land use and the economics of different land-using sectors.

Regulatory Powers—the federal government's regulatory powers over transportation rates, particularly freight rates, have a direct bearing on where certain industries decide to locate and on the vitality of primary and secondary industries in parts of the nation. Regulations concerning trade, tariffs, marketing boards, use of chemicals, and radioactive substances all have major influences on different economic sectors and their land demands.

Research and Information Activities—the federal government undertakes a wide variety of research and development activities pertaining to various aspects of land use. These include collecting basic data; carrying out sectoral research in agriculture, forestry, or energy; and providing technical information for most industrial sectors.

Because of its actual and potential influence on land use throughout Canada, the federal government has instituted specific policies designed to co-ordinate federal influence on land use throughout the nation.

Abandoned Military Base, Foymount, Ontario. The Federal Government has instituted policies designed to co-ordinate federal influence on land use throughout the nation. In some cases federal holdings have been sold to private buyers.

The Federal Policy on Land Use

In March of 1981, the federal government announced the Federal Policy on Land Use. The goal of the policy was to ensure that federal policies and programs and the management of federal lands contribute to the wise use of Canada's land resources. The core of the policy is a series of policy statements and land use guidelines designed to guide the planning and delivery of federal programs which influence the use of land. Recognizing the complementary nature of federal and provincial activities, the federal government affirmed that it would pursue the achievement of its policy goal through a co-operative federal/provincial approach and would support those provincial land use objectives, policies, and programs that it views to be operating in the national interest. Specifically, the federal government has stated that it will apply the policy guidelines in the Federal Policy on Land Use to all of its policies and programs. Among these guidelines are Guideline B:

> *The impact of policies and programs on land with high agricultural capacity will be considered. Appropriate action will be taken to minimize the conversion of such lands to uses incompatible with long-term food production. (Canada 1981)*

and Guideline J:

> *Local, regional and provincial concerns, plans and zoning will be considered, and appropriate action will be taken to ensure that the federal influence on land and local environments has a positive impact. (Canada 1981)*

Taken together with the other guidelines, these constitute a statement of federal intent to support provincial planning efforts aimed at the rational management and appropriate protection of land resources.

To oversee the implementation of the Federal Policy on Land Use, the Interdepartmental Committee on Land (ICL) was constituted. The ICL has senior representation from 13 departments of the federal government, specifically those which have a major capability to influence land use through their programs or landholdings (for example, Agriculture; Energy, Mines and Resources; Environment; Fisheries and Oceans; Public Works; Indian and Northern Affairs; Regional Economic Expansion; Transport; and the Canada Mortgage and Housing Corporation). Central agencies such as the Treasury Board, Finance, the Ministry of State for Economic and Regional Development, and the Ministry of State for Social Development are also represented. The committee is supported by a secretariat provided by the Lands Directorate of Environment Canada. The explicit role of the ICL is to supervise the implementation of the policy across federal programs. The ICL also can review specific instances where federal policies and programs are causing difficulties with respect to the land resource or with respect to local and regional planning, and act as the focus for co-ordination of land use activities or planning between federal agencies or other levels of government.

While the policy and the implementing body are new, the ICL has been successful in modifying delivery of one federal program in eastern Ontario. In this instance, a private landowner and the Canadian Nature Federation, through the Minister of the Environment, brought to the ICL their concern over the expenditure of federal funds under the joint federal/provincial Eastern Ontario Subagreement on Agriculture. Concern was expressed that federally subsidized drainage was being done with insufficient review, and that federal funds were assisting

in creating poor agricultural land from superior wildlife habitat. The ICL review resulted in appointment of an Environment Canada representative to the Drainage Petition Review Committee charged under the Agreement with reviewing individual drainage applications for costs, benefits, and environmental effects. In addition, the Department of Regional Economic Expansion agreed to consider the Federal Policy on Land Use in future agreements.

The policy's impact is also evident in the recently signed Canada/Nova Scotia agricultural development agreement. This agreement includes a clause requiring activities to be in accordance with the Federal Policy on Land Use guidelines, including those referring to agricultural land and habitat protection.

In sum, the ICL is a new body, but one which appears to have real potential to provide the needed focus for the diverse federal influences on land use, and the federal support for provincial land use planning objectives.

The Management of Federal Lands

Federal holdings are significant in many provinces, occupying large areas (such as the national park system) and often occupying strategic localities in the form of large office complexes in downtown cores, or major transportation facilities. Some important Alberta examples include: the national parks system, the Lethbridge agricultural research station, Calgary International Airport, CFB Edmonton near Namao, the Blood and Stoney Indian reserves, and CFB Suffield, all of which have major influences on land use in parts of the province (see Tables 1 and 2). Because of its extent and strategic localities, the purchase or sale of federal land or changes in its use can have a profound influence on surrounding lands and can be important to the execution of regional and local plans. Recognizing the potential, the federal government in 1974 established the Treasury Board Advisory Committee on Federal Land Management, consisting of representatives of the Treasury Board, Public Works, and Environment. The objective of this committee is to implement the Federal Land Management Principle, which was approved in late 1973. This principle states:

> *The objective of the federal government is to acquire and manage lands necessary for those activities for which it is responsible so as to combine efficient provision of federal government services with the achievement of broader socio-economic and environmental objectives.*

The Treasury Board Advisory Committee is the body charged with the enforcement of this objective through its review of all land acquisitions, disposals, or land use changes involving federal lands. In its eight years of

Table 1. Large Federal Landholdings in Alberta

	Square Kilometres
Wood Buffalo National Park	35,845.4
Jasper National Park	10,877.9
Banff National Park	6,640.7
Waterton Lakes National Park	525.8
Suffield Community Pasture/CFB Suffield	377.1
Elk Island National Park	194.2
Manyberries Agriculture Experimental Farm	167.0
Edmonton International Airport	29.3
Calgary International Airport	13.2
Lethbridge Veterinary Research Station	9.5
Lacombe Agriculture Research Station	7.8
Lethbridge Agriculture Research Station	3.9
Stavely Range Experimental Station	3.9
Beaverlodge Agriculture Research Station	3.8
Rocky Mountain House National Historic Park	3.6
Bowden Institution, Innisfail	3.2
Other (including several large defense establishments as well as post offices, police detachments, federal buildings, and transmitter sites)	8,555.7
Total Federal Land in Alberta*	**63,262**

* not including Indian Reserves

operation, several thousand individual transactions have been reviewed. With the approval of the Federal Policy on Land Use, the guidelines of the policy became part of the approval process, resulting in an opportunity for review of all federal land transactions expressly in terms of land resource management objectives and of local and regional planning. The chairman of the Treasury Board Advisory Committee on Federal Land Management sits as a member of the Interdepartmental Committee on Land.

Table 2. Indian Reserves in Alberta

District (Number)	Square Kilometres
Blackfoot-Stoney-Sarcee (9)	1,660.4
Blood-Peigan (4)	1,891.0
Edmonton-Hobbema (12)	580.6
Ft. McMurray (16)	315.1
Ft. Vermilion (14)	653.1
Lesser Slave (25)	598.0
Saddle Lake-Athabasca (10)	867.4
Total (90)	**6,565.6**

The Federal Environmental Assessment and Review Office

For major projects involving federal facilities and land or funding, the Federal Environmental Assessment and Review Office co-ordinates environmental impact assessments. Part of the review process for such projects (Eldorado Nuclear in Saskatchewan, the Alaska highway gas pipeline project, the CP Rail Rogers Pass development in B.C. and the Banff Highway project are examples) is the review of the impact on such renewable resource concerns as the maintenance of agricultural land. The Federal Policy on Land Use expressly states:

> *The federal government will ensure that all significant land-related projects initiated by the federal government, for which federal funds are provided, or for which federal property is required, are subject to the Federal Environmental Assessment and Review Process or a provincial equivalent so that potential environmental and land-use ill effects can be identified and mitigated. (Canada 1981)*

The guidelines of the Federal Policy on Land Use apply to the federal environmental assessment and review process.

The Agri-Food Strategy

While not designed specifically as a land policy, the Agri-Food Strategy has significant implications for the use of agricultural land. The recent federal Agri-Food Strategy establishes a general goal of a two-thirds increase in agricultural production by the year 2000, most of which will be destined for the export market. This increase is projected to come both from an expansion of the area under agriculture and from an intensification of the use of land presently within farms. One intent of this strategy is to promote a $9.5 billion increase in grain exports, most of which will certainly have to be produced by the prairie provinces. If implemented, the strategy will require the mobilization of more land with agricultural capability, the retention and increased improvement of present farmlands, and an increased focus on the protection of productive farmland from erosion, salinization, and other degradation.

The implementation of programs in support of this production-oriented strategy has been delayed, due to the economic difficulties of the early 1980s. The major public and private resources needed to expedite implementation are not available, although present federal resources have to some extent been refocused on such problems as land maintenance, crop and livestock production research, and water for agriculture. The strategy, whatever the time frame eventually implemented, will place increasing demands upon the agricultural land resources of Canada.

Summary

The federal role in dealing with land resource questions is, by and large, one which supports provincial initiatives. The passing of the Federal Policy on Land Use, the Federal Land Management Principle, and the establishment of such review agencies as the ICL, the Treasury Board Advisory Committee on Federal Land Management, and the Environmental Assessment Review panels provide opportunities for the review of federal actions dealing with resource planning and management strategies from national and provincial perspectives. In addition, the Interdepartmental Committee on Land provides a forum for the modification of the delivery of federal programs where they are found to conflict with the aims and objectives of provincial land use planning. Although no test of the system to reconcile federal and provincial objectives has yet occurred, a forum exists where full attention can be focused on the resolution of land-related problems.

Some Significant Provincial Initiatives

The 1960s and 1970s were periods of rapid growth for most regions of Canada. At the same time, with superior resource information and growing environmental concern, public interest in the future use of land resources and the protection of lands seen to be of significance moved many provincial governments to establish means to protect high-quality resource lands. In this section, the activities of three Canadian jurisdictions—British Columbia, Prince Edward Island, and Ontario—are reviewed. Each of these provinces has tried different approaches to land planning and agricultural land protection. Their experience has been an opportunity to test some innovative planning mechanisms and to evaluate the short- and medium-term results of these in terms of agricultural land protection, the impact on rural landowners and users, and the advantages and limitations of each approach. Where parallel actions have occurred in other Canadian provinces, these are noted.

The Agricultural Land Reserves of British Columbia

British Columbia was the first Canadian province to undertake provincial-scale zoning for the protection of agricultural land. In late 1972 and early 1973 the British Columbia government issued several Orders-in-Council which prohibited subdivision and changes in use of all land taxed as farmland, zoned for agriculture by a local or regional government, or designated as having Canada Land Inventory capability classes 1 to 4. Then, over the next several years, specific agricultural land reserves (ALRs) were designated by the regional districts. Land within the reserves was to be retained for agricultural use; it could not be subdivided, nor have its use changed to a use incompatible with agriculture, unless specific permission was granted by the Agricultural Land Commission. While some lands with agricultural capability adjacent to growing urban centres were left outside the reserves, every effort was made in the plans for each regional district to allow for urban growth on land of inferior agricultural capability.

An administrative body, the Land Commission (later the Agricultural Land Commission), was established to coordinate the designating of the ALRs, regulate activity within them, and rule on individual applications for exclusion. In some circumstances, appeals of Agricultural Land Commission rulings can be made to Cabinet. A 1978 study (Manning and Eddy) concluded that the reserve system had achieved its primary goal—the preservation of the agricultural land base of British Columbia. It had significantly influenced the process of alienation of high-capability agricultural land from agricultural use, primarily by directing non-agricultural uses to areas outside the reserves. It had not, however, resulted in all the high-capability land within the reserves being mobilized for farming. The most profound effect was in the Lower Fraser Valley. Outside this area the overall reduction of alienation of agricultural land was not great. In his 1981 study, Pierce contends that the net amount of alienation of agricultural land from the reserves (due to Agricultural Land Commission decisions) has not been substantially different from the amount alienated per annum prior to the ALRs designation, an indication that the system may not have continued to effectively protect the overall agricultural land base. Some of this release of land from the ALRs, however, has been a form of the fine tuning required to match use to capability.

1969

1978

Erosion of the Agricultural Land Base. These photographs show the urbanization of a former agricultural area near Mission, B.C. in the Lower Frazer Valley. The Agricultural Land Reserves program was set up to prevent the conversion of agricultural land to alternative uses, and for the most part, has achieved this goal.

One major criticism of the reserve system has been that of the failure to provide for fine tuning. Both the Manning and Eddy and Pierce studies identified significant criticisms of the land classification and boundary designation at the scale of the individual property unit. The initial designation of ALRs for regional districts was done quickly, and systematic rectification began only recently. Some of the land released from the reserves due to commission decisions can be regarded as fine tuning on an individual application basis.

The level of public acceptance of the Agricultural Land Reserves was generally high. Eighty percent of rural landowners, according to the 1978 study (Manning and Eddy), supported in principle this form of reservation, although over half of all rural landowners were aware of some problems in implementation. The problems generally related to minimum unit sizes being too small, questions about the capability of the land which was reserved, and difficulties with defining specific boundaries of individual land reserve parcels. On the other hand, the reserve system had given a degree of confidence to farmers within protected areas. Coupled with a provincial farm income assurance program, the ALRs had given increased confidence to bona fide farmers, stimulating significantly greater investment in long-term farm improvements such as drainage, irrigation, fencing, and new machinery.

Some notable side effects of the legislation involved the premium market in small rural hobby farms in designated areas. Because no new properties could be created through subdivision, and the rural character of existing holdings was assured, the small-size properties became premium holdings for rural residents and hobby farmers. It is also possible that the ALRs exerted short-term pressures on urban housing prices due to a shortage of serviced land, coupled with a period of rapid population growth. While the designated ALRs provided for urban expansion, such lands were not always the areas already serviced. In fact, several serviced areas were prevented from being developed for several years to get new land through the approvals and servicing process.

The principal advantage to farmers of rural zoning in the British Columbia experience was the establishment of a degree of security. Rural landowners could plan on their properties being there, unchanged, for several years. While all removals from the reserve were not stopped, the Agricultural Land Commission review process became a significant hurdle, and the commission has generally acted with land capability as the principal parameter in its review of applications. While the approvals or appeals process has been altered by subsequent governments, attention has been focused on any removals from the Agricultural Land Reserves, with major removals receiving considerable publicity, and thus public review. The existence of a review process permits justified removals from the reserve area to take place while protecting the bulk of the agricultural land resource from conversion to alternative uses. The role of the Agricultural Land Commission has also been felt at the planning stage, with the reserves seen as parameters for regional and community plans. Despite these positive aspects, continuing removals from the reserve can undo the real potential of such a province-wide zoning system.

A Hobby Farm in British Columbia. One side effect of establishing Agricultural Land Reserves in British Columbia was an increase in the value of existing hobby farms in the reserved areas.

Prince Edward Island Land Ownership Controls and Land Development Corporation Activities

During the 1960s, Prince Edward Island became aware of significant purchases of land by non-residents. In particular, the widespread non-resident purchase of agricultural holdings and of shoreline recreational properties became a major concern. At the same time, the provincial government became interested in mobilizing the land resources of the province into viable agricultural and forestry activities and setting aside appropriate parcels for recreational and wildlife purposes. In 1969, the province established the Land Development Corporation (LDC), a corporation with the capability to purchase and resell land. Through its role as a land-purchasing agent, the LDC entered the land market as an intermediary to permit retiring farmers and other resident landowners to sell their property at a time convenient for them and at an assured fair market value. The LDC plays a passive role as a buyer of last resort. Upon purchase of properties, the decision is made to release them as farms, to assist in consolidation of adjacent properties, to retain them as community pastures, or to provide them to other government departments for maintenance as forest, wildlife, or recreational reserves. Since about 1978, the level of activity of the LDC has diminished, due primarily to increasing costs of land purchase, and a lack of funds to permit the earlier levels of land-market activity (PEI

Land Use Service Centre 1978, Maritime Resource Management Centre 1979, and Kienholz 1980).

In 1972, because of continuing concern with the purchase of Prince Edward Island properties by non-residents, the *Real Property Act* was passed requiring all purchases greater than four hectares in size or 100 metres of shore frontage to be reviewed and approval to be received in writing from the Lieutenant-Governor in Council. In 1974, the *Real Property Act* was amended to include land purchases by all corporations, whether resident or non-resident. In practice, the new ownership legislation was made easier to implement through the mandate given to the LDC. The LDC could make an offer to purchase land when an application to sell to a non-resident was declined; purchases by non-residents were normally declined only when a resident purchaser or the LDC were prepared to meet the fair market price. The Land Use Service Centre (later the Community Planning Division) established an information system to monitor applications by non-residents for land purchases.

Near Crapaud, Prince Edward Island. The rate of loss of agricultural land to non-resident owners became of concern to the PEI government in the 1960s. The government now reviews farmland sales.

In practice, the ownership legislation, as intended, has probably prevented only the most extreme examples of purchase of land by non-residents. This has occurred in two ways. First was the direct refusal of petitions (approximately 10 to 15 percent of all petitions were turned down). These denials were limited to some extent by the province's practice of only denying petitions to sell where they had the funds and capability to acquire the properties through the LDC, except in cases where blatant non-resident speculative activity had been identified. The second means, which was probably more extensive than the first, was the simple effect of the existence of a review procedure, which cut off many potential non-resident transfers simply by being there. Non-residents, aware that a review process existed, may well have turned away and sought rural or seashore properties elsewhere where no such hurdle stood in their way.

The positive impacts of the Prince Edward Island process came through the following means:

1) the land acquisition and dispersal program has added some stability to the normal real estate market guaranteeing fair market value at any time to most residents;

2) new or expanding farmers have benefitted from being able to lease or purchase land from the Land Development Corporation and this has led to considerable land consolidation;

3) through the land leakage program ("leakage" is the term used in PEI for the transfer of land from the LDC to another department of government), the provincial government has acquired significant areas of land for recreational purposes, forestry, and environmental protection;

4) land has been acquired for community pastures through this process and these are seen as supportive by many Island farmers.

The net impact of PEI actions upon the planning process has been positive; they have reduced some of the least desired uses, encouraged the acquisition and development of protected areas, and encouraged the maintenance of good farmland in production while making available land better suited for other uses. Such measures, however, do not limit existing owners from making alterations to the use or management of their present holdings and, as such, apply only to those properties which come onto the land market. Whether such measures could be applied to all purchases, as opposed to only those of a specific sub-group such as non-residents, is questionable due to the amount of funding required simply to maintain such an inventory of land in transition and to the magnitude of the administrative process which might be required.

Cable Head, Prince Edward Island. Sale of this shoreland for recreation development was halted by the PEI government under its *Real Property Act*.

In recent years, with a reduction of demand for seashore properties, the focus of land-related programs in PEI has shifted toward farmland. Increased concern about corporate farmland ownership has resulted in new legislation. A continuation of the process of limiting ownership has been the passage of Bill 57, which establishes maximum size limits on holdings by individual and corporate owners; the impacts of this recent step are not yet evident.

Ontario Food Land Guidelines and Differential Taxation

Food Land Guidelines

Ontario has the bulk of land in Canada capable of producing specialty crops such as tender fruits, vegetables, and grapes. The most rapidly growing urban centres of Ontario are located on or adjacent to much of the very best specialty crop producing lands. In the 1975 provincial election, a major issue was the loss of "26 acres an hour" from Ontario's farmland. Local environmental groups had been formed in such centres as Toronto, St. Catharines, and Hamilton to oppose urban expansion onto prime farmland. A survey published in 1979 found that urban Ontarians considered farmland loss to be the third most important national issue, after only inflation and unemployment (Canada Mortgage and Housing Corporation 1979). In recognition of public concern over the loss of prime agricultural lands, the government of Ontario established the Ontario Food Land Guidelines in 1978. These guidelines were established at a provincial level to be applied in the land-planning process by various departments of the Government of Ontario and by the municipal- and regional-level governments.

A Valuable Resource. The value of land for agriculture is high in Essex County. Even this narrow strip between Lake Erie and a highway is used for growing crops.

In Ontario, the planning of land use is decentralized; that is, it is undertaken primarily at a municipal or regional level. Plans and zoning by-laws are then reviewed by various provincial departments under the co-ordination of the Ministry of Municipal Affairs and Housing. Plans and zoning by-laws may be appealed or referred by the Minister of Municipal Affairs and Housing to the Ontario Municipal Board (OMB). The Food Land Guidelines are some of the major criteria applied to the review of regional and municipal plans by both provincial ministries and the OMB.

The objective of the Ontario Food Land Guidelines is:

> *...to maintain a permanent, secure, and economically viable agricultural industry for Ontario, not only as a producer of food, but as an important component of our economic base, a source of employment, and the basis of the rural community and the rural way of life. (Ontario 1978:3)*

In essence, the Food Land Guidelines are a statement of intent, and constitute the basis for evaluating planning documents for consideration of agricultural concerns. The Food Land Guidelines further state:

> *Where high capability agricultural lands have been identified, the use of these lands for productive agricultural purposes must be given priority in evaluating alternative uses. If the land is to be used for another purpose, the requirement must be justified. The need for the alternate use within the municipality or planning area must be documented, as must the reasons why lower capability or marginal land cannot be used. (Ontario 1978:12)*

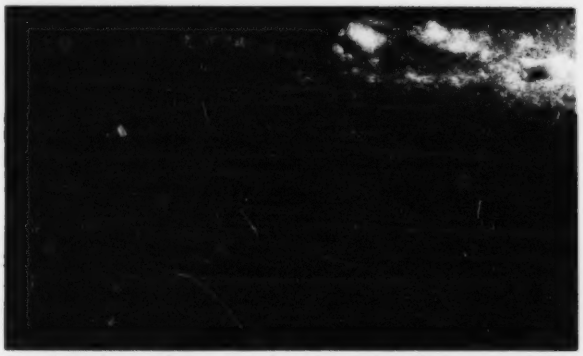
In practice, the application of the Food Land Guidelines to the planning process has been mixed. While specific criteria for the evaluation and designation of agricultural land have been identified, there remains much latitude for justifying a wide variety of other uses. Requirements for aggregate extraction or for the accommodation of industrial development or housing are often presented as over-riding factors relative to agricultural land requirements. Despite clear criteria for the establishment of value in terms of agriculture, the weighting of agricultural values along with other requirements remains very subjective and thus open to dispute at all levels. No comprehensive province-wide strategies yet exist to guide land use selection. Thus municipal-level plans which are preservationist in character exist along with those which are very development oriented. The public's demands for application of the Food Land Guidelines, however, have resulted in a comprehensive public review process for such plans as that of the Regional Municipality of Niagara. The Niagara hearings resulted in the establishment of fixed urban boundaries for St. Catharines, reducing the area which was requested for urban expansion. Although some prime fruitlands were sacrificed, the decision resulted in strict severance restrictions for the remaining fruitlands. As the Ontario Municipal Board decision is recent, it is not yet possible to determine the longer term impact of the

result on farmland conversion rates, or whether the strict severance restrictions will hold against continuing demands from some landowners for subdivision.

The recent *Planning Act* (January 1983) establishes agricultural land preservation as a stated objective. In the preparation of plans, municipal councils will be obligated to consider and integrate in their plans the protection of good agricultural land. Thus, by-laws will have to conform with the intent of plans for agricultural land protection, and agricultural consideration will be built in at the planning stage, not only at the review stages. Even so, the absence of a province-wide implementation strategy probably will result in uneven application. The Ontario Institute of Agrologists (*Agro News* February 1983) contends that the new Act results in a weakening of the application of the Food Land Guidelines through the further delegation of development controls to regional and local bodies. But the review process still exists at the provincial level, with increased legal powers.

Within government, the application of the Food Land Guidelines has been quite strong at times, resulting in, for example, government reforestation programs in eastern Ontario being barred from land with high agricultural capability. The net result of the application of the Food Land Guidelines has been positive, although consistency on a province-wide basis, which might be possible to obtain with comprehensive compulsory legislation such as that of British Columbia, has not been attained.

Death of an Orchard. Fruitland near Vineland in the Niagara Region of Ontario falls victim to urban development. The Ontario Food Land Guidelines are intended to address the problem of loss of agricultural land.



Gravel Pit Near Ottawa. Local zoning must often accommodate aggregate supply with farmland needs.

Differential Taxation

A second policy instrument applied in Ontario was the use of differential assessment procedures. As in many Canadian jurisdictions, Ontario assessment rolls differentiate between farm properties and other non-farm properties (McCuaig and Vincent 1980). Beginning in 1970, a farm tax reduction program under the *Agriculture and Food Act* was established to encourage farmers to keep their land in agriculture. Initially, rebate cheques were given automatically to owners of properties classified as farms, covering 25 percent of their municipal taxes. The program was for farm properties over 11 acres, requiring confirmation of at least $2,000 in sales for smaller properties. The program was changed in 1973 to require applications by all, and assistance was raised to 50 percent of the municipal taxes including all municipal and school taxes. This applied to landowners resident in Ontario and producing products valued at not less than $2,000 in a normal productive year. The minimum has been progressively raised to $8,000, and is planned to rise to $12,000 ($8,000 in eastern and northern Ontario) by 1984.

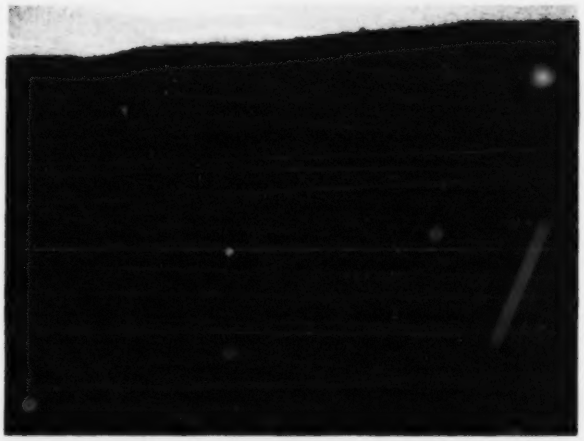
The objective of the Farm Tax Reduction Program was to keep farms in agricultural use. If the property was reassessed as having been developed for residential, commercial, or industrial use, the total assistance for up to 10 years was to be repaid with 8 percent per annum interest. The intent of the recovery aspect was to penalize developers for taking large tracts of land out of agricultural production. In practice, recovery seldom took place. The provisions of the Act for recovery were not sufficient and violations were not actively pursued. The implementation of recovery provisions was opposed by both developers and farmers' groups. Proposed revisions to the legislation will result in removal of the recapture provisions under the *Assessment Act*. This action will eliminate the original objective of the differential taxation provisions as a means of preserving farmland and focus the program instead on farm support, with a 100 percent tax rebate for farmland.

One further reason for the changes can be traced to the fact that disincentive provisions were insufficient to prevent those who really wished to subdivide or develop their properties from doing so. Relative to the kind of profits available in subdivision of land for development, the tax rebate was very small and those who wished to purchase and develop were prepared to pay such penalties in order to obtain the land. This experience parallels that of many other jurisdictions, particularly in the United States, where similar problems have been observed.

Other Provincial Programs

Several other Canadian provinces have developed agricultural land preservation mechanisms which parallel those discussed above. Bill 90, the Quebec agricultural land legislation, is modelled very closely upon the British Columbia legislation, although rather more comprehensive infrastructural development incentives have been suggested to augment the positive encouragement to farmers to farm land which has been zoned as agricultural. In particular, Quebec has removed the taxes from farmland within the agriculturally zoned areas. Newfoundland has also initiated agricultural zones, and discourages non-agricultural use within them. These zones are very important to Newfoundland as that province has only tiny areas of land with agricultural potential.

The provinces of British Columbia and Saskatchewan have both experimented with a form of land banking which parallels to some extent the Land Development Corporation experience from Prince Edward Island. In each case, the province has acted as an intermediate buyer in an attempt to ease the entry into farming by younger farmers. The British Columbia experience was very limited due to a shortage of funds. In Saskatchewan, the program, while originally more extensive than that in British Columbia, has been virtually eliminated. Again cost was cited as a major difficulty. Opponents of this type of government entry into the land market view the government as yet another buyer who tends to escalate prices in competition with other potential buyers of land.



Near Trois Pistoles, Quebec. This farmland is protected by Quebec's Bill 90, which reserves it for agricultural use.

The means most frequently used in Canada to protect agricultural land has been zoning, whether done on a province-wide basis (British Columbia, Quebec, Newfoundland) or by individual counties, municipalities, or planning regions (Nova Scotia, Alberta, Ontario). Most provinces also offer some form of tax relief to bona fide farmers either through their assessment procedures or through tax rebates (McCuaig and Vincent 1980). Several parts of Canada have no explicit programs for agricultural land protection, although all provinces have in place or are working toward land policies which will have an influence on agricultural land and its use.

Some Other Options

Research by the Lands Directorate, Environment Canada, while producing empirical studies of the specific planning tools discussed in the previous sections, has also encountered a number of further approaches which appear to have some promise as rural planning tools. A selection of some of the more significant of these is briefly discussed below.

Severance Minimums (Minimum Lot Sizes for Subdivision)

A common practice in regional- or county-level planning has been to establish minimum lot sizes. Minimums set at 5, 10, or 25 acres generally attempt to discourage subdivision. Larger minimums of 50 or 80 acres attempt to preserve viable farming units. In areas of extensive field cropping and grazing, even larger minimums such as 160 acres are common (for example, Alberta). The lower minimums are intended to limit the number of rural residences created in any jurisdiction. The existence of a review process for land sales itself acts as something of an administrative barrier to severance, but what has been found is that those who wish to purchase rural property for residences will do so even if they have to buy larger lots. With 10- or 25-acre minimums, the result is often a spread of 10- or 25-acre residential properties, with significant areas of land remaining unused. At the same time, with larger properties workable land is often leased back to adjacent farmers to enlarge their farming enterprises without the associated capital costs. But the severance minimums do not control development to any great extent and can produce random development throughout rural areas. One means to counter this has been the limitation of the *number* of severances permitted in a given area (Kings County, Nova Scotia; Waterloo County, Ontario) which appears to have a greater effect on eventual land use patterns.

Indicative Designation for Co-ordinated Planning (A Form of Regional-Level Planning)

The designation of indicative areas is a less coercive approach than many of the other types of measures presently in use. For example, the planning authority of a region may designate food-growing areas as agricultural, industrial, or recreational. Rather than specifying permitted uses at an individual lot level, the objectives for each area are defined in a policy document and uses compatible with the maintenance of the defined character or objectives of the area as designated are permitted. In an "agricultural" region, for example, an industry would likely be permitted if it was demonstrated that it was supportive of agriculture, or at least not damaging to the agricultural character of the region. Ideally, there are agreements between all levels of government upon the designation assigned, and the programs of these governments are directed at maintaining that character. One form of this approach has been attempted in Huron County, Ontario, where broad areas have received such designations. One of the drawbacks of such a process lies in its administration, as all land use changes or title transfers have to be reviewed, requiring standing bodies to do so and to apply the criteria to each of the areas. Such a process, however, does show promise from a broader regional development point of view if it results in the co-ordination of financial, industrial, and other inputs toward the maintenance of an agreed future for each designated region.

Easements

Governments have the ability to acquire easements for a variety of purposes. While easements have been widely used for utility corridors or transportation routes, the use of easements over particular prime resource lands or strategic agricultural areas has not yet been attempted in Canada as an explicit planning tool. Recent work done to identify methods of preserving wildlife habitat without purchase has indicated that there is promise in the acquisition and resale of land with easements or caveats which would prevent non-compatible uses, but this too remains an expensive proposition.

The Purchase and Transfer of Development Rights

The purchase or transfer of development rights is a tool increasingly in use in the United States for protection of agricultural land. In return for the designation of land as perpetually agricultural, owners are compensated either from the public purse or through a free market in development rights. As with easements, the acquisition of development rights can become very expensive, as the right to develop for urban, industrial, or other purposes may far exceed the value of the land for agricultural use. King County in Washington state acquired the development rights of the remaining farms around Seattle through a major multi-million dollar bond issue to compensate the farmers for their lost opportunity to develop. In other parts of the United States, markets in development rights have been established with those gaining through development being the ones to compensate those whose opportunity or rights were lost. In such development rights markets, fairly strict government supervision appears to be necessary and this method appears to work best along with comprehensive zoning. Also, a market area must be established and there must be a demand for the rights elsewhere in the market area.

This form of program is not really appropriate or required in Canada, where enabling legislation for planning and zoning is more robust than in the USA, generally permitting strict zoning without the issue of compensation for lost private rights (the "takings" issue).

Sector Subsidies

One planning tool which is often forgotten is subsidy of the sector which one wishes to protect. Subsidies can come from any level of government. They can take the form of direct subsidies to producers, transport subsidies, insurance (for example, crop insurance), low-cost credit, the provision of subsidized facilities, or even tax provisions which reduce income or property taxes payable by farmers. Together, federal, provincial, and municipal governments have a significant capability to support specific economic sectors.

If the rewards to farmers from their produce are not adequate to make farming the most profitable use of the land one wishes to protect, then government may devise means to provide them with the additional revenue they require. While in principle this works, in practice the subsidy amounts can be massive, particularly in areas adjacent to growing urban centres or industrial areas. Sector subsidies appear to be most effective where they are temporary—that is, used to ease the sector over rough times—or where the needed subsidy is small. Where there are opportunities for subdivision or for industrial development, the subsidies required will probably exceed by many times the value of the potential agricultural product of the farmland. Nevertheless, as part of a comprehensive view of what can encourage land preservation and appropriate use, the possibility of direct or indirect subsidies should be considered.

Conclusions

Because of the many competing uses for Canada's land resource, any attempts to safeguard parts of the land resource for particular purposes will run into problems of conflict resolution. Canada's agricultural land resource tends to be located in its most climatically desirable regions and often lies over the prime sources for coal, petroleum products, or mineral aggregates. Canada's cities often grew and prospered where they did because of the good quality of the agricultural land resource. Thus it is not surprising that their expansion has tended to be at the expense of some of the very best land. Rural residences, hobby farms, and recreational facilities also vie for the same land. Human activity generates requirements for land for transportation, industry, and waste disposal. Much of this demand is focused on the cities and therefore often involves good agricultural land. In Canada, the market remains the pre-eminent force in the allocation of land. It may be socially valuable to alter the results of market forces, but alterations come at some short-term cost to the individuals who own the land or to society in general through foregone economic opportunities or through compensation to those whose rights have been limited. But in the longer term, wise land use makes good economic sense for society in general. Planners must face the questions of:

a) the rational allocation of land among uses;

b) establishing the means to encourage wise management of land resources once they have been allocated to particular users.

The solutions which have been discussed above attack both of these questions with varying results. What is clear from the results to date is that there is no single solution which has proven able to solve all of the problems.

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